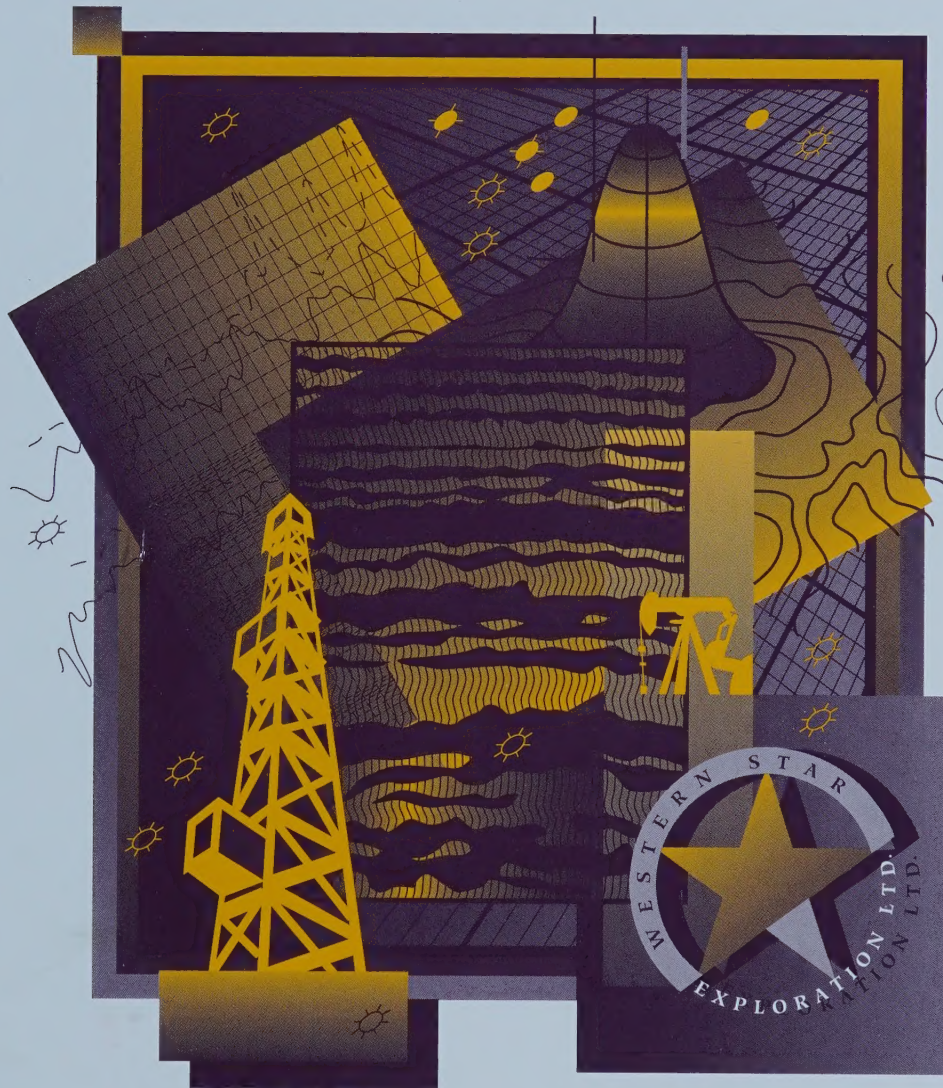


WESTERN STAR EXPLORATION LTD.



1994 ANNUAL REPORT

Corporate Profile

Western Star Exploration Ltd. is an oil and gas exploration, development and production company based in Calgary, Alberta.

The company was incorporated in 1988 under the name Western Star Energy Corporation and became public on the Alberta Stock Exchange in 1992.

Subsequent to year end the company received shareholders' approval for a one for ten stock consolidation, and changed its name to Western Star Exploration Ltd. (trading symbol "WSX").

This new name reflects the strategy of the company to grow primarily through exploration. Western Star has a proven record as a generator of successful exploration prospects and is confident that its geological expertise will create long term value for its shareholders.

Annual General Meeting

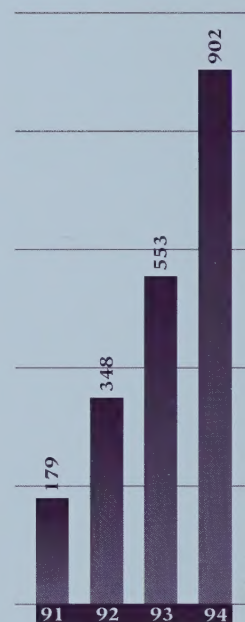
The Annual General Meeting of Shareholders will be held at 10:00 a.m. on Thursday, December 22, 1994 in the offices of Burnet, Duckworth & Palmer, Suite 1400, 350 - 7th Avenue S.W., Calgary, Alberta.

Abbreviations

Bbl	barrel
Bbls/d	barrels per day
Bcf	billion cubic feet
Boe	barrel of oil equivalent (10 Mcf = 1 Boe)
Mbbls	thousand barrels
Mcf	thousand cubic feet
Mcf/d	thousand cubic feet per day
Mmcf	million cubic feet
Mmcf/d	million cubic feet per day
NGLs	natural gas liquids

Cash Flow

Thousands of Dollars



HIGHLIGHTS

Financial

(Thousands of dollars, except as noted)

	1994	1993	Change
Revenue, Net of Royalties	1,403	987	+42%
Cash Flow	902	553	+63%
Per Share (\$)	0.22	0.16	+37%
Net Earnings	391	195	+101%
Per Share (\$)	0.10	0.06	+68%
Capital Expenditures	530	829	-36%
Long-term Debt	30	46	-36%
Shareholders' Equity	4,935	2,512	+96%
Weighted Average Number of Common Shares Outstanding	4,036,703	3,381,314	+19%

(Number of shares and per share amounts are presented on a post-consolidation basis.)

Operating

	1994	1993	Change
Average Production			
Gas (Mcf/d)	1,698	1,534	+11%
Oil and NGLs (Bbls/d)	49	39	+26%
Average Sales Price			
Gas (\$/Mcf)	1.81	1.30	+39%
Oil and Gas (\$/Bbl)	18.12	22.63	-20%
Operating Costs			
Gas (\$/Mcf)	0.31	0.34	-9%
Oil and NGLs (\$/Bbl)	4.66	6.11	-24%
Reserves - Proven			
Gas (Bcf)	3.2	3.4	-5%
Oil and NGLs (Mbbls)	118	138	-14%

MESSAGE TO OUR SHAREHOLDERS

Western Star made significant progress in its corporate development during fiscal 1994. It is now a much stronger company, with improved operating and financial results, new capital resources, and additional management capabilities:

- Increases in production volumes and natural gas prices generated a 63% increase in cash flow from operations and a 101% increase in net earnings;
- The company raised over \$2,000,000 from a private placement, contributing to a working capital balance at year end of \$2,537,000;
- Management of the corporation was strengthened with the addition of a new executive bringing strong organizational and managerial skills, and allowing the President to concentrate on new investment opportunities.

From an exploration standpoint, results from the past year fell short of our expectations. We invested a large amount of time and effort in the generation and development of our Rainbow Project during the fall of 1993 and the past winter. With our joint venture partners, we acquired nineteen parcels of land in the Zama area and shot ten 3-dimensional seismic surveys at an aggregate gross cost of \$3.1 million. In contrast to our previous experience in the area, the results of these surveys were not encouraging. As a result, we decided to significantly scale back our drilling plans. Subsequent to year end, one well was drilled on the project. The well at 9-34-117-5 W6M, in which Western Star has a 24.75% working interest, is currently producing at its ERCB Maximum Rate Limitation of 126 barrels of oil per day.

This project had the potential to triple the size of our company, but, as it turned out, we lost a year of effort. The financial impact on Western Star was moderate, due to our risk-sharing strategy and the leverage benefit we receive when developing internally general prospects. Western Star's total financial exposure in this project, including land and seismic costs, geological time, and drilling, equipping and facilities costs relating to the 9-34 well will be approximately \$450,000.

The Zama project reinforced our belief that gaining carried interests on internally generated prospects and limiting our capital exposure on projects of this magnitude is an effective strategy at this point in Western Star's corporate development. The experience also demonstrated that we needed to increase our prospect generating power in order to both intensify and diversify our exploration efforts. Along with large-scale projects, which have the potential to double the company's reserves, we intend to be active in plays of a smaller scale that will provide a steady, if more moderate, growth in our cash-flow base.

To that end, we have decided to engage the services of two additional consulting geologists, as of November, 1994. These proven oil and gas finders have a combined experience of 36 years in the industry.

We believe that the key to long-term financial success is to consistently achieve a low reserve replacement cost. We are confident that our geological expertise, in conjunction with a rigorous economic assessment of our investment opportunities, confers to Western Star a substantial competitive advantage in this regard.

At this stage in its corporate development Western Star has chosen not to operate its production. Instead, we act as project manager in the plays we create, which gives us adequate control over the timing of our investments. We consciously seek out reliable, cost-effective operators for our plays. Western Star expects to become an operator when the advantages outweigh the associated costs.

On October 18, 1994, the company was advised that the shareholdings of two significant shareholders, representing approximately 24% of the issued and outstanding shares of Western Star, had been distributed into the market. The resulting broader distribution of shares is viewed by management as a positive development. After this sale, Kevin J. Gibson is, to the knowledge of Western Star, the Company's largest shareholder with a 14.8% interest.

On October 25, 1994, Robert G. Elliott resigned as Chairman and Director. Mr. Elliott was a founder of Western Star, and we want to thank him for his contribution during the past six years. His business acumen and experience were instrumental to the company's growth in its early stages. The Board will seek to replace him with one or more independent directors in the immediate future.

Western Star has, for a company of its size, a significant level of working capital, a strong cash flow base and an experienced and knowledgeable management team. We look forward to the coming year from the strongest position in our corporate history.

We are grateful to our shareholders, both old and new, for their continuing support.

For and on behalf of the Board,



Kevin J. Gibson
President

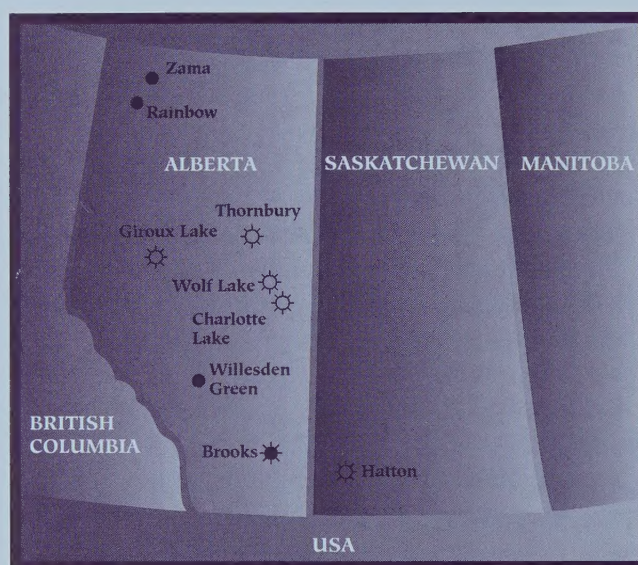


Michel H. Grillot
Vice-President

REVIEW OF OPERATIONS

Project Areas

Western Star has developed prospects and holds various working interests in exploratory and producing properties in Alberta and Saskatchewan which are shown on the accompanying map, some of which are summarized in the following pages.



Present Worth of Future Cash Flows

Before Income Taxes, including ARTC
As at June 30, 1994

	RESERVES		PRESENT VALUE CASH FLOW		
	Oil and NGLs (Mbbbls)	Gas (Mmcf)	(\$ thousands)		
			0%	15%	20%
Proved Producing	118	2,576	5,800	3,590	3,212
Proved Non-Producing	0	601	1,022	546	459
Total Proved	118	3,177	6,822	4,136	3,671
Probable	0	29	86	4	2
Total Proved + Probable	118	3,206	6,908	4,140	3,673

Production and Reserves

The accompanying tables list Western Star's major producing areas by both production and reserve volumes, at June 30, 1994.

Oil and NGLs Producing Properties

	Production		Reserve Volumes (Mbbls)	
	Bbls/d	% of Total	Proven	% of Total
Rainbow	26	53	59	50
Zama	20	40	51	43
Others	3	7	8	7
Total	49	100	118	100

Gas Producing Properties

	Production		Reserve Volumes (Mmcf)	
	Mcf/d	% of Total	Proven	% of Total
Thornbury	1,040	61	2,058	65
Hatton, Saskatchewan	266	16	579	18
Wolf Lake	229	13	290	9
Charlotte Lake	87	5	46	2
Brooks	61	4	97	3
Others	15	1	107	3
Total	1,698	100	3,177	100

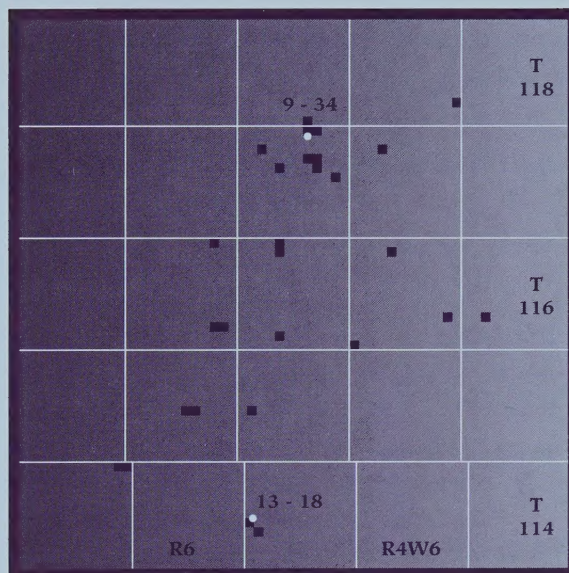
Hatton

Western Star participated in the drilling of three (0.3 net) development gas wells, which were tied-in and on stream by October, 1993.

Zama

During the fall and early winter of 1993, Western Star and its joint venture partners acquired nineteen parcels of land in the Zama area. Ten 3-dimensional seismic surveys were shot during the winter to delineate the pinnacle reefs that were the primary target of this program. Results from these surveys were disappointing, as most of the reefs appeared to be too small to warrant drilling.

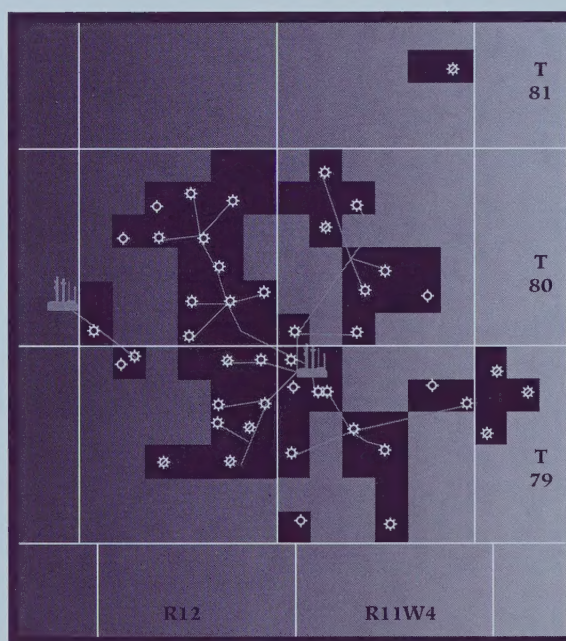
The Virgo 13-18 oil well drilled in April 1993 was pumping at an approximate daily rate of 200 barrels of oil per day in August, 1994. Western Star currently owns a 7.5% GORR in this well, which will be converted into a 20% working interest when the well and facilities have reached payout in early 1995.



Thornbury

The company's primary gas property at Thornbury produced during fiscal 1994 at the average gross rate of 11 Mmcf per day through the company's two gas plants. Western Star's average working interest in this property is approximately 10%.

In 1994, Western Star participated in the drilling of three (0.4 net) new gas wells and the tie-in of four wells in order to keep the plants running at their full capacity. Two to three wells are planned to be drilled and tied-in during fiscal 1995.



MANAGEMENT'S DISCUSSION AND ANALYSIS

A Strong Performance in 1994

In 1994, Western Star set new performance records. Gross oil and gas sales increased 34%. Cash flow from operations increased 63%. Net earnings increased 101%. Shareholders' equity increased 96%.

Revenue

Gross oil and gas sales increased by 34% to \$1,479,000 from \$1,101,200 in 1993. This is mainly the result of a 54% increase in natural gas sales, whereas oil and liquids sales increased by 1%.

Natural gas production rose 11% to 1698 Mmcf/d from 1534 Mmcf/d, and the average gas price increased by 39% to \$1.81 per Mcf from \$1.30 per Mcf in 1993 due to market conditions.

Oil and liquids production rose 26% to 49 Bbls/d from 39 Bbls/d primarily due to new production in Virgo, but the average oil price dropped 20% to \$18.12 per Bbl from \$22.63 per Bbl in 1993, due to a general decrease in world oil prices over that period.

During fiscal 1994, natural gas sales accounted for 76% of Western Star's gross sales. This percentage is expected to decrease in fiscal 1995 as new oil production will come on stream from the Zama area.

Royalties

Total royalties paid to the Crown, freehold and overriding owners, net of the Alberta Royalty Tax Credit ("ARTC") rose 25% to \$151,000 in 1994 from \$120,600 in 1993, but decreased to 10% of oil and gas sales from 11% last year. This reduction in net royalty rate is primarily due to an increase in the ARTC rate resulting from a decrease in oil prices.

Production Expenses

Production expenses for fiscal 1994 were \$276,100 compared to \$278,000 in 1993. Considering the increase in production volumes, this number reflects decreases in the operating costs per unit of production for both products: by 24% to \$4.66 per Bbl from \$6.11 per Bbl for oil and liquids, and by 9% to \$0.31 per Mcf in 1994 from \$0.34 per Mcf in 1993 for natural gas.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Depletion, Depreciation and Site Restoration

Depletion, depreciation and site restoration expenses combined were \$443,000, or \$5.55 per Boe produced of which \$0.19 per Boe related to site restoration charges. In 1993, the corresponding costs were \$348,000 or \$5.11 per Boe.

General and Administrative Expenses

General and Administrative expenses increased in 1994 to \$220,000 (\$2.75 per Boe) from \$137,000 (\$1.94 per Boe) in 1993, due to the strengthening of the management team and to a higher public profile of the company.

During fiscal 1994, Western Star capitalized \$131,000 of overhead costs related to exploration and development compared to \$62,000 in 1993.

Interest

Western Star has eliminated its bank debt and interest expense was reduced to \$5,600 from \$19,400 in 1993. The amount of \$5,600 represents interest paid on the capital lease of a compressor in the Thornbury property.

The company reported \$75,457 of interest income for 1994 compared to \$6,502 for 1993; this income was earned on short-term investment of its cash balance.

Income Taxes

Western Star did not pay current income taxes for fiscal 1994, and does not anticipate being taxable in 1995.

Cash Flow

Cash flow from operations rose 63% to \$902,100 from \$553,100 in 1993. Equity funding of \$2,032,200 during the year increased the weighted average number of shares by 19% compared to 1993, contributing to a 37% increase in cash flow per share to \$0.22 from \$0.16.

Net Earnings

Net earnings climbed 101% to \$391,000 from \$194,600 in 1993. Earnings per share rose 68% to \$0.10 from \$0.06.

Liquidity and Capital Resources

Western Star's net oil and gas expenditures for fiscal 1994 were \$523,081, down from \$828,951 for fiscal 1993, as a result of the company's decision to scale back its drilling program in the Rainbow-Zama area.

Working capital at year-end was \$2,536,800, compared to \$148,500 at June 30, 1993, which should allow the company to take full advantage of the exploration opportunities it will generate in the current fiscal year.

As at June 30, 1994, Western Star had 42,492,417 shares issued and outstanding - this total reflects 6,000,000 shares issued through a private placement in October, 1993 and 301,000 options exercised by a director of the company at a pre-consolidation price of \$0.17. Western Star also had 4,249,000 pre-consolidated shares reserved for exercise under the Employee Stock Option Plan.

Subsequent to year end, the company received shareholders' approval on August 24, 1994 for a one for ten stock consolidation, in order to reduce the number of issued and outstanding common shares to 4,249,242.

Effective September 21, 1994, the company received regulatory approval to change its name to Western Star Exploration Ltd. and began trading under the symbol "WSX".

The "per share" amounts presented in this report have been calculated on a post-consolidation basis.

FINANCIAL REPORTING

Auditors' Report

To the Shareholders of Western Star Energy Corporation

We have audited the balance sheet of Western Star Energy Corporation as at June 30, 1994 and the statements of earnings and retained earnings and changes in financial position for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at June 30, 1994 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Helouite & Louche

Calgary, Alberta
September 27, 1994

Chartered Accountants

FINANCIAL STATEMENTS

Statement of Earnings and Retained Earnings

For The Year Ended June 30, 1994

	1994	1993
REVENUE		
Production revenue	1,479,022	1,101,190
Royalty expense	(277,992)	(209,772)
Alberta Royalty Tax Credit	126,971	89,154
	1,328,001	980,572
Interest and other	75,457	6,502
	1,403,458	987,074
COSTS AND EXPENSES		
Operating	276,051	278,015
Depletion and depreciation	427,388	344,385
Future site restoration and abandonment costs	15,358	14,105
General and administrative	219,691	136,539
Interest (Note 5)	5,639	19,427
	944,127	792,471
Earnings before income taxes	459,331	194,603
Income tax provision - deferred (Note 7)	68,300	-
NET EARNINGS	391,031	194,603
Retained earnings (deficit) beginning of year	193,853	(2,572,949)
Applied to reduce share capital	-	2,572,949
Excess consideration paid on repurchase of common shares	-	(750)
Retained earnings, end of year	584,884	193,853
Earnings per share (Notes 8, 12)		
Prior to share consolidation	.010	.006
After share consolidation	.10	.06

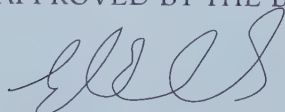
FINANCIAL STATEMENTS

Balance Sheet

As At June 30, 1994

	1994	1993
ASSETS		
Current		
Cash and short term investments	2,435,281	10,821
Accounts receivable	325,960	386,131
Prepaid expenses	4,738	2,500
	2,765,979	399,452
Petroleum and natural gas properties and equipment (Note 3)	2,510,897	2,409,316
Fixed assets (Note 4)	22,117	21,494
	5,298,993	2,830,262
LIABILITIES		
Current		
Bank loan	-	21,000
Accounts payable and accrued liabilities	212,624	214,843
Current portion of capital lease obligation (Note 5)	16,584	15,103
	229,208	250,946
Capital lease obligation (Note 5)	29,771	46,227
Future site restoration and abandonment costs	36,661	21,303
Deferred income taxes	68,300	-
	363,940	318,476
SHAREHOLDERS' EQUITY		
Share capital (Notes 6, 12)	4,350,169	2,317,933
Retained earnings	584,884	193,853
	4,935,053	2,511,786
	5,298,993	2,830,262

APPROVED BY THE BOARD



Director
Lyle P. Edwards



Director
Kevin J. Gibson

FINANCIAL STATEMENTS

Statement of Changes in Financial Position

For The Year Ended June 30, 1994

	1994	1993
Net inflow (outflow) of cash related to the following activities:		
Operating		
Net earnings	391,031	194,603
Items not affecting cash		
Depletion and depreciation	427,388	344,385
Future site restoration and abandonment costs	15,358	14,105
Deferred income taxes	68,300	-
	902,077	553,093
Changes in non-cash operating working capital items		
Accounts receivable	60,171	(172,971)
Prepaid expenses	(2,238)	710
Accounts payable and accrued liabilities	(2,219)	(48,133)
	957,791	332,699
Financing		
Capital lease obligation	-	81,071
Repayment of capital lease obligation	(14,975)	(19,741)
Net proceeds from issue of common shares	2,032,236	459,750
Cost of purchase of common shares	-	(2,050)
	2,017,261	519,030
Investing		
Additions to petroleum and natural gas properties and equipment	(715,581)	(837,595)
Additions to fixed assets	(6,511)	-
Proceeds on disposition of petroleum and natural gas properties and equipment	192,500	8,644
	(529,592)	(828,951)
NET CASH INFLOW	2,445,460	22,778
Cash position, beginning of year	(10,179)	(32,957)
Cash position, end of year	2,435,281	(10,179)
Represented by:		
Cash	2,435,281	10,821
Bank loan	-	(21,000)
	2,435,281	(10,179)

FINANCIAL STATEMENTS

Notes to the Financial Statements

For The Year Ended June 30, 1994

1. DESCRIPTION OF BUSINESS

Western Star Energy Corporation is a public company incorporated under the Alberta Business Corporations Act. The company is in the business of exploration for and development and production of oil and gas properties, primarily in western Canada.

2. ACCOUNTING POLICIES

Petroleum and Natural Gas Properties and Equipment

The company follows the full-cost method of accounting for petroleum and natural gas properties whereby all costs relating to the exploration for and development of petroleum and natural gas reserves, whether producing or non-producing, are capitalized. Such costs include land acquisition costs, geological and geophysical costs, cost of drilling producing and non-producing wells, and overhead related to exploration activities. Proceeds from disposal of properties are normally deducted from costs without recognition of gain or loss. In the case of major property disposals, the net cost of the properties is deducted from the proceeds, and the resulting gain or loss, net of applicable income taxes, is included as part of income for the year.

Depletion of petroleum and natural gas properties and equipment is provided on a unit-of-production method based on estimated proved reserves of oil and gas as determined by independent petroleum engineers, after royalties and estimated salvage values, converted to a common unit of measurement based on a ratio of 6 mcf of gas to one barrel of oil.

The company compares the net book value of its petroleum and natural gas properties and equipment to the estimated future net revenues, using actual prices being received by the company at June 30 plus the lower of cost and estimated fair value of undeveloped lands, and after deducting estimated future general and administrative expenses, site restoration and abandonment costs, financing costs and income taxes. Any indicated deficiency as a result of this comparison is charged to current operations as part of depletion and depreciation expense.

Future Site Restoration and Abandonment Costs

Estimated future site restoration and abandonment costs are charged to operations on a unit of production basis.

Fixed assets

Fixed assets are recorded at cost and are depreciated using the declining-balance method at the following rates:

Automobile	30%
Office equipment	20%

Joint Ventures

Substantially all of the company's operations are conducted through joint operations and, accordingly, the accounts include only the company's proportionate interest in such activities.

3. PETROLEUM AND NATURAL GAS PROPERTIES AND EQUIPMENT

	1994 \$	1993 \$
Petroleum and natural gas properties and equipment	6,613,817	6,090,736
Petroleum and natural gas equipment under capital lease	81,071	81,071
	6,694,888	6,171,807
Accumulated depletion and depreciation	4,175,091	3,758,060
Accumulated amortization of petroleum and natural gas equipment under capital lease	8,900	4,431
	4,183,991	3,762,491
	2,510,897	2,409,316

Included in petroleum and natural gas properties at June 30, 1994 are expenditures of \$262,075 (1993 - \$173,318) related to unproved and unevaluated properties. These costs have been excluded from the depletion calculation until such time as proved reserves are attributed to the property or impairment in carrying values occurs.

For the year ended June 30, 1994, the company capitalized \$131,000 (1993 - \$62,035) of overhead costs related to exploration and development.

FINANCIAL STATEMENTS

4. FIXED ASSETS

	Cost \$	Accumulated Depreciation \$	1994 Net Book Value \$	1993
Automobile	22,519	15,954	6,565	9,379
Office equipment	33,882	18,330	15,552	12,115
	56,401	34,284	22,117	21,494

Depreciation expense for the year amounted to \$5,888 (1993 - \$7,048).

5. CAPITAL LEASE OBLIGATION

The future minimum lease payments required to meet obligations for lease of a compressor station are as follows:

	\$
1995	20,614
1996	20,614
1997	13,743
	54,971
Less imputed interest at an average rate of 10.25%	8,616
	46,355
Current portion of capital lease obligation	16,584
	29,771

Interest expense includes \$5,639 of capital lease interest (1993 - \$7,745).

6. SHARE CAPITAL

Authorized

An unlimited number of common shares without nominal or par value

	1994		1993	
	# of Shares	Consideration \$	# of Shares	Consideration \$
Balance, beginning of year	36,191,417	2,317,933	33,486,712	4,432,433
Private placement for cash	6,000,000	2,000,000	2,714,705	461,500
Reduction of share capital to reduce deficit	-	-	-	(2,572,949)
Repurchase of shares	-	-	(10,000)	(1,300)
Exercise of options	301,000	51,170	-	-
Costs associated with the issuance of shares	-	(18,934)	-	(1,751)
Balance, end of year	42,492,417	4,350,169	36,191,417	2,317,933

a) Reduction of share capital

Pursuant to a special resolution of the shareholders effective April 30, 1993, approval was given to reduce the stated capital of the company in the amount of \$2,572,949 by a corresponding reduction of the deficit balance.

b) Private placement

During 1994 the company issued 6,000,000 shares at \$0.33 per share pursuant to a private placement offering. Costs associated with this issue amounted to \$18,934.

FINANCIAL STATEMENTS

c) Stock option

The company has granted options to officers, directors and employees to purchase common shares as follows:

	Number of Shares	Exercise Price	Expiry Date
	3,299,000	\$0.17	June 16, 1998
	950,000	\$0.20	April 26, 1999
	4,249,000		

During the year options for 301,000 common shares were exercised at \$0.17 per share.

d) Normal course issuer bid

Effective April 18, 1994, the company commenced a normal course issuer bid under which it may purchase up to 2,124,620 of its outstanding common shares until April 17, 1995 at the market price of the shares at the time of acquisition. No shares were purchased to June 30, 1994.

7. INCOME TAXES

The company's tax provision is comprised of the following:

	1994 \$	1993 \$
Provision based on combined basic Canadian federal and provincial income tax rate of 44.34%	203,664	86,287
Add (deduct) tax impact of the following items		
Non-deductible crown charges	93,147	45,376
Resource allowance on production income	(80,017)	(35,589)
Non-taxable Alberta Royalty Tax Credit	(56,299)	(39,976)
Miscellaneous	1,636	102
Tax benefit on application of prior years' losses	(93,831)	(56,200)
	68,300	-

8. EARNINGS PER SHARE

The earnings per share figures are calculated using the weighted monthly average number of shares outstanding during the respective fiscal years after giving retroactive effect to the stock consolidation (1:10) referred to in Note 12.

9. RELATED PARTY TRANSACTIONS

The company is committed to making royalty payments to a company of which the chairman of the company is a director. The royalty is based on 2.5% of a portion of the working interest in certain wells. During the year the company paid \$13,005 (1993 - \$18,000) in such royalties.

Capitalized overhead costs include \$45,600 (1993 - \$59,750) of fees for geologic services paid to a company controlled by the president.

10. COMMITMENTS

The company is committed to making annual payments on an operating lease in the amount of \$18,764 for the next 2 years.

The company has certain lease obligations covering office space. Minimum lease payments over the term of the lease, including operating costs and property taxes, are as follows:

	\$
1995	23,521
1996	20,031
	43,552

11. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

12. SUBSEQUENT EVENTS

At a special shareholders' meeting held on August 24, 1994 approval was received for a one for ten stock consolidation, in order to reduce the number of issued and outstanding common shares from 42,492,417 to 4,249,242.

Effective September 21, 1994 the company received approval to change its name to Western Star Exploration Ltd.

CORPORATE INFORMATION

Head Office

Suite 402,
1000 - 8th Avenue S.W.,
Calgary, Alberta T2P 3M7
Telephone: (403) 237-5060
Fax: (403) 237-6887

Auditors

Deloitte & Touche

Legal Counsel

Burnet, Duckworth & Palmer

Board of Directors

Lyle P. Edwards*
Calgary, Alberta
Ineke B. Gibson*
Okotoks, Alberta
Kevin J. Gibson*
Okotoks, Alberta

Evaluation Engineer

NRG Engineering Ltd.

Banker

Alberta Treasury Branches of Alberta

* *Audit Committee*

Officers

President
Kevin J. Gibson, B.Sc., P.Geol.
Vice-President
Michel H. Grillo, M.Sc.
Corporate Secretary
Judy B. Leverington

Registrar and Transfer Agent

Montreal Trust

Stock Exchange

The Alberta Stock Exchange

Trading Symbol: WSX

**The 1994 Annual Report of
Western Star Exploration Ltd.**

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